

Attachment 1

Fiscal Impact Statement: 10% Reasonable Financial Return

A. Fiscal Effect on Local Government

4) There are 82 certified recycling programs operated by local governments which were paid processing payments during FY 2018-19. If this regulation were adopted, these programs would collectively receive about \$270,000 in additional processing payments, or an average of about \$3,300 per certified program.

B. Fiscal Effect on State Government

4) There are no certified programs operated by State government that received processing payments during FY 2018-19; thus there is no anticipated fiscal effect on certified recycling programs operated by State government.

The overall impact on the Department, which administers that beverage container recycling program, will be an increased expenditure of about \$11 million in additional processing payments paid to all certified recycling programs, of which an estimated \$9.3 million will be provided from the Beverage Container Recycling Fund (BCRF), financed through unredeemed CRV deposits as specified in PRC Section 14575. The remaining balance of the additional processing payments will be provided from Processing Fees paid by beverage manufacturers. The BCRF has sufficient resources to provide for additional processing payments without impacting other mandatory payments.

C. Fiscal Effect on Federal Funding of State Programs

3) The proposed emergency regulation will not have any impact on the federal funding of any State program.